

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2333 - HB 2487

February 11, 2022

SUMMARY OF BILL: Authorizes utility task vehicles to be operated on the same roads, in the same manner, and subject to the same regulations as Class I and II off-highway vehicles. Authorizes utility task vehicles (UTV's) to be registered with the Department of Revenue for a fee of \$14.

Expands the authorization of utility task vehicles and Class I and II off-highway vehicles to include operation on state highways for which the posted speed limit is no greater than 45 miles per hour, subject to other existing requirements.

FISCAL IMPACT:

Increase State Revenue – \$100/FY23-24 and Subsequent Years/General Fund

\$2,400/FY22-23/Highway Fund

\$4,800/FY23-24 and Subsequent Years/Highway Fund

Assumptions:

- The proposed legislation establishes the fee to register UTV's as \$14.
- According to the Department of Revenue (DOR), over the past three years, the average number of UTV's titled with DOR was 350. This number is assumed to remain constant.
- The cohort of the population of people who own UTV's who sought a title are assumed to represent those that would also seek a registration.
- Therefore, the total annual increase in state revenue for UTV registrations is estimated to be \$4,900 (350 UTV's x \$14).
- For the purposes of registration, the proposed legislation takes effect January 1, 2023.
- Therefore, the total one-time increase in state revenue is estimated to be \$2,450 (\$4,900 x 50%) in FY22-23.
- The total recurring increase in state revenue is estimated to be \$4,900 in FY23-24 and subsequent years.
- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), proceeds from revenue generated through the registration and licensing of motor vehicles are to be apportioned as follows: 98 percent to the Highway Fund, and 2 percent to the General Fund.
- Therefore, the total one-time increase in state revenue to the General Fund is estimated to be \$49 (\$2,450 x 2%) in FY22-23.

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- The total recurring increase in state revenue to the General Fund is estimated to be \$98 (\$4,900 x 2%) in FY23-24 and subsequent years.
- The total one-time increase in state revenue to the Highway Fund is estimated to be \$2,401 (\$2,450 x 98%) in FY22-23.
- The total recurring increase in state revenue to the Highway Fund is estimated to be \$4,802 (\$4,900 x 98%) in FY23-24 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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